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TO RUEHC/SECSTATE WASHDC PRIORITY 1440  
INFO RUEHZA/WHA CENTRAL AMERICAN COLLECTIVE PRIORITY  
RUEHWN/AMEMBASSY BRIDGETOWN PRIORITY 2188  
RUEHCV/AMEMBASSY CARACAS PRIORITY 0927  
RUEHGE/AMEMBASSY GEORGETOWN PRIORITY 1100  
RUEHKG/AMEMBASSY KINGSTON PRIORITY 2892  
RUEHPO/AMEMBASSY PARAMARIBO PRIORITY 1225  
RUEHPU/AMEMBASSY PORT AU PRINCE PRIORITY 4857  
RUEHSP/AMEMBASSY PORT OF SPAIN PRIORITY 1926  
RUEHUB/USINT HAVANA PRIORITY 0205  
RUEAIIA/CIA WASHINGTON DC PRIORITY  
RHEFDIA/DIA WASHDC PRIORITY  
RUMISTA/CDR USSOUTHCOM MIAMI FL PRIORITY

UNCLAS SANTO DOMINGO 001456

SENSITIVE  
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STATE FOR WHA/CAR

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SUBJECT: SANTO DOMINGO ECONOMIC-POLITICAL ROUNDUP,  
SEPTEMBER 17, 2008

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[1](#)1. (U) Open Skies Agreements with Panama and Canada

The Dominican Republic recently signed open skies agreements with Panama and Canada. Civil Aviation Board President Luis Rodriguez told EconOff that the Dominican Republic is also negotiating an agreement with Chile. He said that the Dominican Republic is looking to increase air traffic to the island to boost tourism, among other objectives. Rodriguez added that he hopes to see foreign airlines use the Dominican Republic as a jumping-off point for flights between the Americas and Europe and Canada.

[1](#)2. (U) U.S. Company Purchases Airport Operations

On September 9, U.S. private equity company Advent International announced that it had acquired Aerodom, the Dominican airports operator, from the Hazoury Group, Vancouver Airport Services, and other local investors. The value of the transaction was estimated to be US\$400 million. Aerodom has a 30-year concession contract with the Dominican government and the Airport Commission to develop, operate, and manage six airports in the Dominican Republic. According to Advent, Aerodom's existing management and Vancouver Airport Services will continue to run the company. Advent told the media the company plans to invest over US\$1 billion in the airport system over the next five years.

[1](#)3. (U) Bank Fraud Conviction Upheld

On September 11, the National District Court of Appeals upheld the August 2006 conviction of Bancredito President Manuel Arturo Pellerano and Vice President Juan Felipe Mendoza Gomez for the fraud which led to the collapse of the bank in 2003. The court sentenced them to eight years in prison, an increase from the original sentence of three years. The defendants have not yet said whether they will appeal the case to the Supreme Court.

14. (SBU) Venezuela: Scandal Over Houses Donated to Storm Victims

On September 16, President Fernandez fired the appointed Governor of Monsenor Nouel Province, Nestor Melenciano. The President's action, announced by decree without further explanation, comes after the Venezuelan Ambassador, Francisco Belisario Landis, wrote to the Dominican Government to protest the GODR's handling of Venezuela's donation of 100 homes to the province's victims of Tropical Storms Noel and Olga. In the letter, which was leaked to the media, Landis accused Melenciano of turning homes over to occupants without using the proper process for designating beneficiaries. Separately, Narciso Isa Conde, a far-left Dominican politician and public supporter of Colombia's FARC guerillas, criticized other leftists for their role in the housing allocation. Isa Conde told the media that activists such as Fernando Pena had interfered in the designation of beneficiaries for "personal reasons," which damaged the effort for "political solidarity" (a presumed reference to relations with Venezuela).

15. (U) Unions Press for Wage Increase

The National Council of Union Unity (CNUS), a labor confederation, is pushing hard for a private sector wage increase and states that it will organize protests to press home its demands. CNUS cites the high cost of food, transportation, and electricity to justify its wage proposal, and notes that most government workers received a 15 percent raise in August. Minister of Labor Max Puig, who has been in

office for only one month, told the press that the Government would not intervene in the dispute, but rather will play the role of mediator. The last pay increase occurred in April 2007, when labor unions and business groups negotiated a deal that raised the minimum wage by 15 percent and increase salaries by 5 percent for all other private employees earning 30,000 pesos (approximately US\$1,000) per month or less.

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